

Revenues are not the problem. One would think from the Democratic leadership that we do not tax people enough so we tax people more. In fact, we are on a revenue path that is above the historic average in terms of Federal revenue as a share of gross national product.

So when the Blue Dogs in the House of Representatives bark about deficit reduction, we on this side will howl with them. We have Huckleberry Hound here to illustrate what I am talking about. The Blue Dogs continue to bite only on the tax side.

When it comes to spending cuts, we do not hear much more than a whimper out of the Blue Dogs. They do not want spending cuts, they want higher taxes. We agree with them on fiscal responsibility, but higher taxes do not bring fiscal responsibility. Higher taxes bring an excuse for Congress to spend more money.

Spending cuts are the way to get taxes down. In fact, when I hear from my constituents, they do not think the American people are undertaxed, they think the American people or the Congress overspend.

On our side, that tax-hike hungry dog won't hunt. We have seen the story of this Huckleberry Hound chart play out in recent legislation. On the additional GI education benefits, the Blue Dogs held out for a tax increase to offset the new spending. But when the pressure from their political leadership got too hot, that objection is now history.

We have another popular new spending proposal, extension of unemployment benefits. The Blue Dogs said no offset was required because it is "temporary spending."

Now we have an AMT fix and we have the extenders bill before us. Because it is current law tax relief, the Blue Dogs are insisting on tax increases on other taxpayers. Such inconsistency I do not understand. As with GI benefit packages, we will meet the Blue Dogs' challenge. We will put our money where our mouth is.

The budget resolution, written by the Democratic majority and supported by the Blue Dogs, contains \$300 billion in nondiscretionary appropriations. This is brand new extra spending not subject to pay-go. The AMT patch in the extender bill is a \$110 billion package. After being challenged by the Blue Dog Democrats to stand up for spending cuts, I suggested we take one-fifth of what they are going to increase spending by, and it will pay for these new spending programs.

I would put them to a challenge of not increasing taxes every time to reduce the deficit, but reduce expenditures to be consistent. Instead of raising taxes, I said let's look at the new non-defense discretionary spending built into the budget. We could let that new undefined future spending expire by an amount necessary to make that AMT patch and extenders bill deficit neutral. Many on the other side say it is harmless to let defined current law

tax relief expire. If that is true, then it ought to be easier to let undefined future spending expire.

After meeting the dollar amount in the spending cut challenge, some in the Blue Dog coalition still complained. They said we had to define the spending to be cut. That's a bit curious because the spending is future non-defense discretionary spending. Over the next 10 years, appropriators will spend this new extra money in future appropriations laws. Those bills have not been written yet. So, I don't know how I respond with any more specificity. I've provided the amount and the source of the funds.

The last time I checked, a dollar of spending cuts is the same as a dollar of forgone revenue. If we apply that basic math to taxes and spending, then we will achieve fiscal discipline.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

EXTENDING UNEMPLOYMENT BENEFITS

Mr. REED. Mr. President, I rise today to talk about the importance of extending unemployment insurance benefits to workers whose regular benefits ran out before they could get a new job.

As we know, the labor market is weak. The unemployment rate has jumped to 5.5 percent in April from 5 percent in March. That is an extraordinary jump. This is the largest single month spike in 22 years and the highest level in 3.5 years.

In addition, the Labor Department's alternative unemployment rate, a measure that includes people who want to work but who are discouraged from actively seeking employment because they cannot find full-time jobs, reached 9.7 percent in May. This latter statistic might be more accurate with what has actually happened in neighborhoods across America.

For Rhode Islanders, the situation is among the worst in the Nation. The number of unemployed Rhode Islanders has risen to approximately 35,000, which has been trending upward and is the highest since June 1994. Indeed, 6.1 percent are jobless right now, a figure which has remained unchanged over the past 2 months.

This is the fourth highest unemployment rate in the United States, and the highest rate in Rhode Island since August 1995, more than 12 years ago. It is also critical to point out that almost half, 41 percent of Rhode Islanders unemployed in January, February and March, exhausted their benefits, which is more than any other State in New England. Unfortunately, other economic indicators are equally discouraging. Economists think inflation is here to stay, and it is likely to get worse. We have received a very poor inflation number this morning which suggests that the forecasts of economists are sadly becoming true.

Food prices are high. Consumers are able to afford fewer groceries at the supermarket and restaurants are being squeezed by food costs. Food prices across the country spiked by more than 4 percent in 2007, the biggest jump in 17 years, and they are expected to escalate another 6 percent this year, though some items, including eggs and milk, have gone up much more. So we are not talking about luxury items, we are talking about the basics to survive. They are getting more and more expensive as more and more people are not able to find adequate work.

The price of gasoline has risen 35 percent from a year ago, when it averaged approximately \$3. In Rhode Island, it now costs \$4.11, on average, for a gallon of regular unleaded, making it very difficult for working families simply to get to school, to get to their job, and to get around the State.

The gross domestic product, the Nation's total output of goods and services, the measure of the overall economic activity of the country, increased at a mere .9 percent in the first quarter of 2008, which is nearly the same as the fourth quarter of last year. This stagnant growth obviously is highly correlated with the rising unemployment.

In April, consumer credit borrowing rose \$8.9 billion for the month to \$2.56 trillion. This is significantly higher than economists forecast. This means increasingly that Americans are going to their credit cards to get by, and this is a timebomb ready to explode in our economy.

More American families are being overwhelmed by debt. More and more families are forced, because they do not have adequate jobs, adequate wages to face the rising cost of gasoline and food, to take out the plastic. That can only last a certain amount of time. This is a looming problem that we have to recognize.

Similarly, there is speculation that the impact of the foreclosure crisis will continue to spread. In my home State of Rhode Island, we have the highest foreclosure rate in New England. And the outlook is just as bleak. A recent Credit Suisse report noted that foreclosures could impact about 6.5 million loans by 2012, meaning that nearly 13 percent of residential borrowers could be put out of their homes; 13 percent of homeowners in America are facing the prospect within the next few years of losing their homes. That is a startling and unacceptable projection.

Given that the economic situation is significantly harsher now than the start of the last recession, the need to extend unemployment benefits is clear. In doing so, we can start to stimulate the economy. We have virtually no growth, we have a foreclosure crisis with escalating gasoline and food prices. If we want to get this country moving again, we have got to stimulate the economy. We tried with the rebates a few months ago; that has not proved effective. Unemployment insurance

benefits have a very high return on their investment. It generates approximately \$1.64 in gross domestic product for every dollar we put in, and that makes sense.

Individuals receiving these benefits are going to go right to the store, they are going to fuel their cars, they are going to buy food, they are going to try to take care of their children. This money is going right back in the economy. It is going to stimulate 64 cents more than we invest.

I am disappointed that the administration has released a Statement of Administration Policy stating that it strongly opposes the bipartisan measure overwhelmingly passed by the House of Representatives last week.

I am disappointed that the minority is unwilling to enact this meaningful legislation before us today. This would make a positive difference for America. I think it is reckless and irresponsible. Unfortunately, it is characteristic of this administration that they would oppose unemployment benefits for Americans while they continue to exhort us to spend billions of dollars in Iraq and Afghanistan. The contrast could not be more stark and, I think, more condemning of this administration.

I believe we have to pass this legislation. We have to face it. And for my constituents in Rhode Island, it would be extremely useful.

According to the Center for Budget Policy Priorities, we have done this, we have extended benefits seven times over the past half century. They have provided much needed relief to workers. This is not something novel and unique. This is something we have done and we should do. We cannot afford to delay extending these benefits any longer. People are struggling throughout this Nation. It is our responsibility to respond to their needs, to give them a chance, to keep them afloat in a very stormy economic sea.

I urge the immediate passage of these unemployment benefits.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized.

Mr. SCHUMER. Mr. President, I too rise to support extension in unemployment benefits, and express the profound regret I and so many others, not only in this Chamber but throughout America, are having that our minority colleagues blocked the attempt to move this bill forward this morning.

There are two reasons to do this. One is the individual and the humane, to help the people who need help. Of course, that is first and foremost. But the second is to give a real shot in the arm to the economy. There is no better way when an economy is in recession, going slow, to give it a shot in the arm than unemployment benefits. They are better than tax cuts, better than any long-term spending program. The economists have shown that.

Our colleagues on the other side of the aisle continue to say no to just about everything.

The sad status quo is not very good. Look at the number of jobs this economy has lost this year: 324,000. That is probably 1 million people, given that so many of them are family members and breadwinners; 1 million people who had jobs or had loved ones who had jobs last year and don't have them today. We refuse to give them the barest of lifelines, an extension of unemployment insurance? That is disgraceful.

Let me talk about who these people are because each one is an individual. How about Vincent DiRoma, former senior engineer for Kodak? Not only does he have a wife and three children, he also supports his elderly mother who relies on Social Security to get by. Vincent is currently training for a new career. We all know Kodak has laid off thousands and thousands in the Rochester area, highly qualified people, people with tremendous work ethic who don't want to or can't leave the Rochester area. Vincent is now training for a new career. He is the kind of American we all appreciate. He is not sitting down and cursing the darkness. He is trying to make his situation better. His old job doesn't exist. An extension of his unemployment insurance will allow him time to complete the training and find a new job to support his extended family which, including himself, is six people.

Why are we telling Vincent DiRoma no? Why are we telling the other hundreds of thousands like Vincent no? That is so important. Again, we just block it.

Economists, liberal and conservative, will tell us, when an economy is teetering on the edge of a recession, or, as many of us think, in recession, the best way to get money into that economy is unemployment benefits. The people who get them spend it. A tax cut is often saved. That is not a bad thing, but it doesn't mainline money into the economy the way unemployment benefits do. The money is sent out quickly. There is an existing system so we don't have to set up a whole new program.

In the past, there have been bipartisan moves to extend unemployment insurance when the economy heads south. Only in this new Congress—this “no, no, no” Congress, where Republicans block everything almost instinctively, atavistically—do we not get this kind of extension.

Obviously, there is an attempt to put this in the supplemental bill. We will try to do that, but it should pass like that. There should not be a single opponent to Vincent DiRoma and the other 323,999 people and families who have lost their jobs.

For the sake of humanity, those who are unemployed such as Vincent and need the help, and for the sake of our economy, I urge colleagues on the other side of the aisle to reconsider. Again, there is no better way—none—to get the economy moving than an extension of unemployment benefits. It is something we should move to quickly, without partisan wrangling, without

ideological preconception. We should just move forward.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, after 7 long years of the Bush administration, our country's economy is in the worst condition it has been in decades. In my State of Rhode Island this week, a gallon of gas cost \$4.11. Grocery bills are up. Utility bills are up. Affordable housing is scarce. Many homes are in foreclosure. Health care costs remain high. As a blistering hot summer approaches, there seems to be no end in sight. These are difficult times for many families. But for millions of Americans who are looking for a job today, the challenges seem almost insurmountable. Today, Senate Republicans showed yet again that they are more loyal to the failed economic policies of President Bush than to Americans who right now need our help. Majority Leader REID and Senate Democrats pushed for quick passage of legislation to extend unemployment benefits. But Senate Republicans said no, even though last month the national unemployment rate saw its biggest 1-month increase in over 20 years, reaching a 4-year high of 5.5 percent.

In Rhode Island, things were a bit worse. Last month the unemployment rate in our ocean State exceeded 6 percent. That is one of the highest in the country. These men and women are being forced to deal with both the deep disappointment of losing their jobs and the challenge of trying to make ends meet for their families in an economy that is in recession.

One of these people is Brian Perry. Brian lives in East Providence, RI. He wrote me earlier this month to ask about the possibility of extending unemployment benefits. Brian had been a law clerk at a firm in downtown Providence, but he has been unemployed since January 11.

Since January 11, he has applied unsuccessfully for more than 65 jobs. One of those positions had more than 300 applicants. Brian is receiving unemployment insurance, but it is not enough. Because he couldn't afford to pay both his mortgage and his monthly COBRA payments, Brian has been without health insurance since the end of January.

In the United States of America, a working man trying to find a job without health insurance.

He says it has become more and more difficult just to afford groceries, and some nights he goes to bed hungry. He could go to a food pantry, of course, but he has not yet because he thinks there are too many people who are worse off than he is. Brian's unemployment benefits expire at the end of July.

People such as Brian need our help, and they need it now. What are we here for, if not to help our fellow Americans at times such as this? The Emergency Extended Unemployment Compensation Act would help. It would temporarily extend unemployment benefits

13 weeks beyond the ordinary 26-week eligibility period. In States such as Rhode Island, where people have been hardest hit, jobless workers would receive an additional 13 weeks of unemployment compensation. This critical measure was modeled after a bill introduced in January by Senator TED KENNEDY, a true champion of working Americans. It passed the House of Representatives last week with a strong bipartisan vote.

As my colleagues know, unemployment insurance is just that—insurance. Millions of Americans go out pounding the pavement each and every day looking for work to support themselves and their families. They find work, they work hard, and they earn their paychecks. As part of an employee's compensation, employers pay into the unemployment insurance system so that workers will be covered if they lose their jobs through no fault of their own. Unemployment benefits help hard-working men and women in this terrible Bush economy cover bills and living expenses while they search for a new job. The Emergency Extended Unemployment Compensation Act could help over 3 million Americans pay the mortgage or the rent or feed their families, as they continue to navigate a perilous job market. In Rhode Island alone, there are more than 18,000 people in need of a job, and their benefits either already have or will soon run out.

I have heard the argument that people would not be motivated to find work if we extend this benefit; that they need this little spur to get off the couch and out into the workforce. In my experience, this is a ridiculous argument, a demeaning argument, one that is completely disengaged from the day-to-day experience of regular Rhode Islanders, from ordinary Americans, a true beltway special of an argument. This is a hard-working country, and it is in tough economic times. Good people are hurting. We should gather together around this legislation, support them as they try to get back into the workforce, and pass this piece of legislation.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TESTER. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WHITEHOUSE). Without objection, it is so ordered.

PRODUCTION TAX CREDITS

Mr. TESTER. Mr. President, I rise to emphasize the importance of extending the production tax credits for renewable energy in the tax package we are voting on today at 2:15. These tax credits have helped create a strong and growing renewable energy industry, not only for wind power but also for

geothermal, biomass, and landfill gas. Wind power, especially in a State such as Montana and across the country, is critically important, but we have a long way to go before renewable sources of energy can have the full impact on lowering energy costs and fighting climate change. That is why these tax credits are so very important.

Last year the United States installed more than 52 hundred megawatts of wind power, enough to power a million and a half households for an entire year. Put another way, if the population—every man, woman, and child in Montana and Wyoming—each had their own house, there would be a million and a half homes.

All that wind power was about a \$9 billion investment into the economy. Wind now powers over 4.5 million homes in the United States. At this rate, the United States will overtake Germany as the world's leader in wind power next year, but only if we extend this tax credit. Unfortunately, everything grinds to a halt if the tax credits are not extended.

Congress has let these tax credits lapse before. Each time we have seen growth in the renewable energy industry flatline. This chart shows exactly what happens when we refuse to extend the tax credits. Over the last 9 or 10 years, you can see where the high bars are, where wind energy megawatts have gone on. That is with the tax credits. When we failed to extend tax credits, we see virtually no growth in wind energy.

I know a lot of my colleagues will be voting to extend these credits by year's end, but waiting until the last minute is just as bad as letting them expire. Right now wind developers are working out financing for future projects. They cannot move these projects forward without certainty. That means projects that are starting right now will stall if we don't re-up these tax credits today.

We have heard a lot for the last few months about energy costs and climate change. Renewable energy is attractive because it can help us get a handle on both problems. Wind is getting more and more affordable and more efficient each year, especially as fossil fuel costs go up. The wind power capacity added last year accounted for 30 percent of all new energy brought online. Because of the wind, we are keeping 28 million tons of carbon dioxide out of the air. That is 28 million tons. There is no more efficient way to help fight climate change than by supporting the tax credits that drive renewable energy. It is just common sense.

Last month, the Department of Energy reported that the United States can get 20 percent of its power from wind by the year 2030, but we need to quit talking about wind power and get some more turbines off the ground and into the air. Wind power means real dollars and cents and real jobs and economic development, especially for rural America.

The first commercial wind farm in Montana started operating in 2005 in Wheatland County. Wheatland County has a population of about 2,000 people and a median household income of about \$24,000 a year. In 2007, the wind farm paid over half a million dollars in property taxes to State and local governments. That included nearly a quarter of a million dollars to the local school district. It brought in jobs and royalty revenue for landowners.

Wheatland County, as you can tell by the name, is a farming, agricultural county. Folks there have spent the last century cursing the wind. Today, the local Chamber of Commerce calls Wheatland County the Wind Energy Capital of the United States. Next weekend, Wheatland County is putting on its first Festival of the Wind. Their slogan is to "honor the wind, celebrate our community, and move forward to a vital future."

With high gas and food prices, wind power is not just a mirage on the horizon. In fact, we have only skimmed the surface of our potential. To put things in perspective, Montana produces about 150 megawatts of wind-generated electricity. Montana is almost exactly the same size as Germany. Germany has about 22,000 megawatts of wind power. The entire United States has only 16,000 megawatts. Montana will double its wind production this year. Next year, we hope to have a new wind energy transmission line between Montana and Alberta, and we will double it again. But we need that production tax credit in place, not only for next year but well into the future.

Already this year, things have started to slow as developers anxiously watch Congress. One wind farm currently under construction is racing the clock to start selling power before year's end. Developers are scrambling to take advantage of the production tax credit. Their plans for several other wind farms are on hold until the production tax credit is passed here.

I cannot overstate the significance of the production tax credit to my State of Montana and throughout rural America for economic development. But our country cannot afford to let it lapse because of climate change and because of high energy costs.

High costs might be an underestimation. I just read yesterday that companies are raising power prices to the tune of 29 percent. That is 29 percent. That means ordinary folks all across this country are going to have to make some very difficult decisions as they sit around their kitchen tables. We cannot afford to sit back and just talk about it. It is time to get to work, and the work starts today by passing this extension, not by waiting until the end of the year.

That is why I appreciate the leadership of Senator BAUCUS on continuing to bring this measure forward. I believe that passing an extension now will send a good signal to business that Congress is serious about wind power.